

The President's Council of Advisors on Science and Technology supports policies that encourage R&D and advanced manufacturing in the United States. A January 2004 report notes that the computer and electronics sector is a leading employer in the United States, and ranks very high in terms of value-added. The report notes as well the rise of China as an electronics producer:

... China's rise as a high tech manufacturer has caused increasing concerns. China is a large emerging market and its industrial and economic policies associated with expanding this sector are likely to continue indefinitely.

This report also notes the variety of Chinese programs aimed at expanding the electronics sector, including numerous tax incentives, currency valuation policies, industrial parks, and employment incentives.

The U.S. Semiconductor Industry Association shares this concern. SIA recently urged U.S. policy makers to keep chip fabrication in the United States by "insuring that the U.S. remains an attractive locations for chip manufacturing. . . . If leading edge moves offshore because foreign governments have created more attractive investment environments, over time R&D facilities for manufacturing processes are likely to follow."

SIA has documented the substantial contributions of U.S. semiconductor manufacture to the U.S. economy, in a number of reports, including as in the following illustration:

The semiconductor industry, which is the largest value-added sector in the U.S. economy, provides high quality employment to hundreds of thousands of U.S. citizens and is projected to grow at a compound annual rate of fifteen percent for the next several years. The growth will create opportunities for new applications that will spawn new industries and it will ensure the continued vitality of many of the information technology industries.

SIA officials emphasized the potential of China in particular to attract leading edge semiconductor manufacturing in recent testimony before the U.S.-China Economic and Security Review Commission:

Semiconductors are the building blocks for American competitiveness in a broad range of high technology goods—from computers to medical technology. A strong and vibrant semiconductor manufacturing industry is a key part of a healthy information technology ecosystem—it supports everything from research and development to a robust university capability in microelectronics. . . . the members of SIA also believe it is vital to retain leading edge manufacturing capability here in the United States. . . .

China is growing into a major force in the information technology arena both as a customer and as a competitor. Given the size, growth, and potential of the Chinese market, it is essential that U.S. semiconductor firms have the chance to compete fairly.

A new report prepared for the U.S.-China Economic and Security Review Commission finds that 1.5 million U.S. job opportunities have been lost as a result of the ballooning U.S. trade deficit with China. As noted at the outset in this paper, more than one-quarter of job losses during 2001–2003 were in electronics. China's higher-value electronics exports, along with other products that require more skilled labor and advanced technologies, are growing much more rapidly than are China's lower-value, labor-intensive exports. The report notes that China's exports to the United

States reached \$32 billion, a figure that corresponds to the entire U.S. trade deficit in advanced technology products. Indeed, the U.S. exports and imports of advanced technology products as a whole are in balance; however, the U.S. has a significant and rising trade deficit in such products with China.

U.S. TAXPAYER SUBSIDIES TO THE CHINESE SEMICONDUCTOR PRODUCERS ARE UNJUSTIFIED ON ANY GROUNDS

As discussed above, the Chinese semiconductor industry does not need U.S.-taxpayer-supported financing. The Chinese industry benefits from advantageous labor costs, a dynamic internal market, a critical mass of component and finished goods production, and a multiplicity of Chinese government supports. The industry is literally booming, with investment flowing from a multitude of sources. SMIC in particular is a formidable competitor on a global scale.

In addition, from a policy perspective, what is the U.S. interest in hastening the pace of expansion within the Chinese electronics sector? This expansion comes at considerable costs to U.S. industries. U.S. policy makers have in fact long recognized the value to the broader economy of maintaining high-value manufacturing and their associated R&D activities in the United States. This Administration has consistently been given this advice by its senior science and technology specialists.

The economic reality may be that China's electronics industry will continue to strengthen, but that outcome should be market-driven. U.S. taxpayer subsidies to enhance advanced Chinese semiconductor manufacturing capabilities are unjustified on any grounds.

#### PERSONAL EXPLANATION

##### HON. MARK GREEN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 28, 2005*

Mr. GREEN of Wisconsin. Mr. Speaker, on rollcall No. 322 I was detained due to an aircraft malfunction.

Had I been present, I would have voted "yes."

CONGRATULATING CHRISTI LEHMAN ON HER PROMOTION TO VICE PRESIDENT AT CONNOLLY & COMPANY

##### HON. HENRY CUELLAR

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 28, 2005*

Mr. CUELLAR. Mr. Speaker, I rise to recognize Christi Lehman in gratitude for her service, respect for her work, and congratulations on her promotion to Vice President at Connolly & Company.

I am also personally indebted to Christi for her help in 2004. Christi handled media relations for me with an adept hand and a cool maturity. Her ability to generate new ideas and pitch them to the appropriate media is consistently rewarded with tremendous results.

Brought on board as a media expert for Connolly & Company in 2002, Lehman excels in public relations through her creative ap-

proach and unique style. She has coordinated numerous media events and widely covered press conferences. Recently, she has focused on companies or individuals involved in litigation—ensuring their public image and message is protected and promoted.

I am honored to recognize Christi Lehman on her promotion to Vice President at Connolly & Company. She is a gifted writer who understands the media, but most importantly, knows how to produce real results. I continue to appreciate her support on both a personal and professional level, as I congratulate Christi on her outstanding work.

#### TRIBUTE TO CHRISTIAN AGUIRRE

##### HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 28, 2005*

Mr. WAXMAN. Mr. Speaker, I rise today to pay tribute to a courageous young man, Christian Aguirre, whom I am proud to represent in Congress. Christian is 12 years old and attends Christopher Columbus Middle School in Canoga Park, California.

Christian was diagnosed with Hodgkin's disease 2 years ago and has bravely undergone a series of treatments, many of them painful, since that time. Through it all, Christian has maintained his sense of humor and has met his challenge with grace and a remarkable outlook.

I know that his family, friends, doctors, nurses and teachers are delighted that Christian is doing well and has been able to return to school. The American Cancer Fund for Children recently awarded Christian with the "Courageous Kid" award. I want to congratulate him on receiving this award and ask my colleagues to join me in applauding Christian for his optimism and courageous resolve during his battle with Hodgkin's disease.

#### IN RECOGNITION OF TOP STUDENT HISTORIANS

##### HON. DIANA DeGETTE

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 28, 2005*

Ms. DeGETTE. Mr. Speaker, I rise to honor the top student historians in the State of Colorado. Colorado History Day, an affiliate of National History Day, is a year-long education program that engages students in grades 6–12 in the process of discovery and interpretation of historical topics. Students produce dramatic performances, museum-style exhibits, multimedia documentaries, and research papers based on their own research related to a broad annual theme. Their projects are then evaluated in a series of local and state competitions, culminating in an annual national competition. Nationwide, more than 800,000 students are involved in the National History Day program. More than 4,000 Colorado students participate in History Day activities at the local level each year, and they represent every type of Colorado community, from the cities and suburbs of the Front Range to rural plains towns and mountain communities. At the Colorado History Day State Competition

on April 23, 2005, held at the University of Colorado at Boulder, 54 students qualified to represent Colorado at the National History Day competition June 12–16 at the University of Maryland, College Park.

This year's National History Day theme, "Communication in History: The Key to Understanding," encompasses endless possibilities for exploration. Students embark on journeys of discovery that teach them about various facets of world, national, regional, and local history as they produce their original research projects. By encouraging young Coloradans to take advantage of the wealth of primary historical resources available to them, students gain a richer understanding of historical issues, ideas, people, and events. Students in this program learn how to analyze a variety of primary sources such as photographs, letters, diaries, magazines, maps, artifacts, sound recordings, and motion pictures. This significant academic exercise encourages intellectual growth while helping students to develop critical thinking and problem-solving skills that will help them manage and use information, now and in the future. For more than 25 years the National History Day program has promoted systemic educational reform related to the teaching and learning of history in America's schools. The combination of creativity and scholarship built into the NHD program anticipated current educational reforms, making National History Day a leading model of performance-based learning.

These impressive students represent educational excellence in America. Every student in Colorado should have the opportunity to participate in this enriching program.

These students' teachers also deserve our respect. They are fine examples of the best in the teaching profession. Their encouragement and dedication has encouraged these students to strive for excellence and be successful in their endeavors.

The winners from Colorado's First Congressional District are Bryon Christman, Jacob DeCrose, Zander Chanin, Shannon Desmond, Tracy Fielder, Riley Price, Chloe Armao, Nyasha James-Davis, Aura Cruz, Jaqueline A. Meraz, Eboni Coleman, Faryn Tobler, Brigitte Siller, Norah Kissell, Jon Shockness, Akil Lugman, Nick Thorne, Alisha McKenzie, Jake Mundel, Kelsey E. Isberg, Annie Woodward, Ryan Brown, Kara Miller, Sarah Goode, Lila Creighton, Gabe Stein, Avery Colomb, Aaron Bernhardt, Adrian Leanzu, Brian Lays, Meera Rao, Laura King, Kira Newman, Adrienne Russman, David Schneider, John Stanford, Natalie Lays, Christie Collins, Madeleine Winslow, Chelsea Proctor, Cassie Cherry, Elliott Collins, Scott Sigman.

#### MILITARY PERSONNEL FINANCIAL SERVICES PROTECTION ACT

SPEECH OF

**HON. LUIS V. GUTIERREZ**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 28, 2005*

Mr. GUTIERREZ. Mr. Speaker, I strongly support the Military Personnel Financial Services Protection Act, H.R. 458. We passed this bill last year, and it is designed to prevent predatory companies from using the immaturity of the U.S. Military to prey on financially

vulnerable service members by selling them insurance and investment products with little or no value. During consideration of this bill in the Financial Services Committee, I offered an amendment to extend these protections to abusive lenders who prey on our troops, such as payday lenders. These payday loans are the most abusive financial product being offered to our troops today, and, according to military personnel, payday loans threaten troop readiness. The New York Times and other news outlets have reported extensively on this problem.

Noncommissioned officers at the Army base in Fort Bragg, North Carolina, say they counsel two to three soldiers per week who are indebted to payday lenders. "It's legalized thievery," says Sgt. 1st Class Andrew Perrin, a member of the XVIIIth (18th) Airborne Corps at Fort Bragg.

These companies put pressure on soldiers because they can be discharged if they default on too much debt, Perrin says. Staff Sgt. Carlton Brown says soldiers become distracted from their duties as they struggle to make payments and avoid disciplinary action. "It affects a soldier's mission readiness, and that can affect a whole unit, big time," Brown says.

The amendment I offered in Committee drew on the idea of my colleague SAM GRAVES, who introduced legislation capping interest rates on payday loans for service members. During that markup, Chairman OXLEY agreed to work with me to include provisions regarding abusive lending in the manager's amendment for floor consideration. I am very pleased that our work has resulted in the inclusion of some basic, but important protections for our troops, against payday lenders and other abusive lenders who target our troops. I want to thank him and his staff for the countless hours they spent working to hammer out this compromise. I also want to thank Ranking Member FRANK, Congressman DAVIS and their staffs for their hard work bringing this to fruition. Under this legislation, lenders (of both payday and other small loans) who target the military can no longer continue a number of egregious practices, including: requiring the involuntary assignment of military wages to secure payment of a loan; contacting, or threatening to contact the borrower's commanding officer or others in the military chain of command in effort to collect a loan; requiring the borrower to waive any rights under Federal or State law, including the Servicemembers Civil Relief Act; or using any words or symbols that create the impression that any department of the military endorses the lender or any service or product of the lender. I am sorry to say that all of these unconscionable practices are currently used by certain payday or short term lenders.

In addition, extremely high cost loans must be accompanied by a disclosure notice that informs the consumer of these protections and that there are other options available including grants or interest free loans from the military relief societies in the case of a family or other emergency.

This may not sound like a lot, and I do wish that it contained additional limitations on the loan amount and the number of turnovers by payday lenders, similar to legislation recently enacted in my home State of Illinois, but this is a good start, since many of these payday and other short term lenders completely evade

regulation by the States and Federal Government. I look forward to continuing to work on this issue.

The Navy's senior enlisted Sailor, Master Chief Petty Officer of the Navy Terry Scott testified earlier this year in front of the House Appropriations Committee about the pernicious nature of these payday loans. Scott characterized the industry as one "that has made it a practice to prey upon our Sailors." Payday loan outlets, he said, often are found within a short walk outside the gates in the communities that surround Navy homeports, offering easy loans but with very high interest rates as compared to commercial lenders. He told the subcommittee that many who turn to these payday loan outlets end up far worse off than before.

"It is not being dramatic to state these payday loans to our troops could be a threat to their military readiness," he said.

Payday loans are the most abusive financial product preying on consumers today, but service members, who can lose their job or even be court-martialed if they are in too much debt, suffer disproportionately. Those who claim to support the troops should agree to restrict the worst financial product out there. Once again, I thank my colleagues for their help in securing these provisions and look forward to working with them in the future.

#### 150TH ANNIVERSARY OF TAWAS CITY

**HON. BART STUPAK**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 28, 2005*

Mr. STUPAK. Mr. Speaker, I rise today to honor a community in my district that is celebrating its 150th anniversary as a city. On Thursday, June 30, 2005 the residents of Tawas City, Michigan celebrate their history that 150 years ago began a rollercoaster of triumphs and tribulations. From fishing to lumber to railroad to a military base, this city has adapted to each new opportunity resulting in a rich history and growth.

In the early days of what is now known as Tawas Bay, the fish rich area was difficult to traverse because of the seafaring dangers. A lighthouse was constructed in 1853 attracting the first of the English settlers including Oakland County Judge Gideon O. Wittmore, founder of Tawas City. Whitmore was drawn to the increasingly valuable endless supply of timber in the area. Timber was in great demand as new settlements were established in the Midwest region. Whitmore constructed the first sawmill, Whitmore and Company, and platted the city in 1855 as Tawas City. The city was named after the local Native American Indian tribe the Ottawas.

Just 15 years after becoming an official village, the rough waters of Tawas Bay had brought sand and sediment unto Tawas Point rendering the lighthouse useless to mariners. Almost immediately, work began on a replacement lighthouse that was completed in 1876 and is still in use today. This lighthouse, the Tawas Point Lighthouse, was recognized in 1984 in the National Register of Historical Places.

Throughout the late 1800's, the lumber boom had become a major facet in the local